

CHILD NUTRITION AND FOOD DISTRIBUTION DIVISION MANAGEMENT BULLETIN

No.: 99-405

TO: All Food Distribution Agencies

ISSUE DATE: March 1999

FROM: Food Inventory Management Unit, Food Distribution Program

ATTENTION: Food Service Directors

SUBJECT: Replacement of Bonus Commodity Losses

References: United States Department of Agriculture (USDA) DA-FY-99-#07; FD-08-2
Policy Memorandum #27

This Management Bulletin provides information regarding changes in the current bonus commodity loss policy which requires losses to be satisfied by payment with cash. The revised policy allows agencies to use funds to purchase replacement food items that are of equal value to the bonus commodity loss. USDA is currently amending policy documents to conform to this policy change.

The Western Regional Office (WRO) of USDA will approve replacement of all lost bonus foods, on a case-by-case basis in accordance with the following requirements. WRO will determine whether excess inventory levels of the lost commodity exist. If excess inventory levels exist, the lost bonus commodities can be 1) replaced with a similar food item or 2) replaced with other types of food items. If excess inventory levels do not exist, the lost bonus commodities can be 1) replaced in-kind, 2) replaced with a similar food item, or 3) replaced with other types of food items.

Contact Violet Henry R.D., M.S. at (916) 324-9568 with any questions regarding this Management Bulletin.

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